



## Market and Trade Data

### Nigeria's Swelling Market for Fruit Juice Concentrates and Mixes

By March Oyinki

Nigeria is a subsistence agrarian economy that depends largely on imports to meet its basic food requirements. The country imported \$2.5 billion in food products in 2004, making it the largest single market for foreign agricultural products in sub-Saharan Africa.

U.S. agricultural exports to Nigeria that year totaled \$444 million, up considerably from \$322 million in 2003. Beverage bases (mostly fruit juice concentrates and pre-mixed products) accounted for approximately \$1.4 million worth of U.S. sales in 2004.

In 2002, the government of Nigeria placed an import ban on a wide range of agricultural products to protect local industries and to conserve foreign exchange. Products banned for exports to Nigeria include: confectioneries, flavored yogurt drink, spaghetti and other noodles, fruit juices in retail packs, fruit juice drinks, fresh and dried fruits, table water (flavored sparkling and non-sparkling), non-alcoholic wines and beer, cocoa butter, powder and cakes; poultry and red meats, eggs and birds, maize, sorghum, millet, vegetable oils, fat and biscuits of any type. Prior to the ban, approximately 80

percent (about 170 million liters per year, valued at \$255 million) of Nigeria's demand for fruit juice was filled by imports.

#### Domestic Capacity and Imports Buoyed by Demand Tidal Wave

The Nigerian fruit juice industry, producing far below capacity before the ban, increased production from just 12 percent in 2002 to over 75 percent by 2004. Demand for consumer fruit juice products, especially items in Tetra Pak containers and flexible bags, is now mostly met by domestic suppliers.

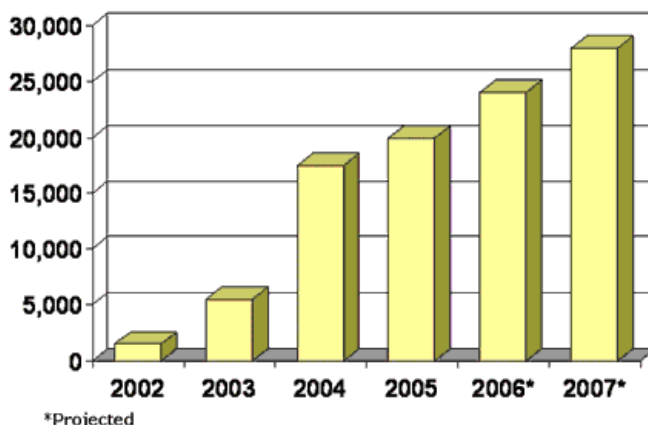
The few large food processing companies have developed or increased production for local consumption and export to neighboring countries. New firms are reported to be investing in Tetra Pak production lines. Small-scale manufacturers of bottled fruit drinks have also boosted capacity.

Meanwhile, Nigeria's demand for imported fruit juice concentrates and pre-mixes has grown from 1,500 metric tons in 2002 to 17,000 metric tons by 2004 – an astounding 1,033-percent increase. This figure is expected to reach 20,000 metric tons valued at \$30 million by the end of 2005. The import growth can be attributed partly to Nigeria lowering its tariff on concentrates and pre-mixes from 40 to 10 percent in 2002.

Fruit juice concentrate in aseptic packs and pre-mixes are preferred by local suppliers. Products are often placed in cold storage and transported in reefer containers at temperatures of not above -18 degrees centigrade.

About 20 million Nigerians, approximately 15 percent of the country's population of more than 133 million, constitute the target market for fruit juice products. Consumption should increase as households begin to use products at home more frequently.

**Nigeria's Import Demand for Fruit Juice Concentrate Has Skyrocketed Since 2002, a Trend Projected To Continue Through 2007**  
Metric Tons



All these factors mean that U.S. exporters have an excellent opportunity to enter this market. New-to-market U.S. fruit juice concentrate exporters can enter the market through local buyers who may be processors or agents. NAFDAC, Nigeria's food regulatory agency, requires that all foreign exporters of food and agricultural products be represented by a government-registered Nigerian firm that will handle product registration and marketing. ■

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